

New Hampshire Department of Transportation

NHDOT Overview and Governor's Recommended Budget 2022-2023

House Finance Division II Briefing

February 22, 2021

Mission

Transportation excellence enhancing the quality of life in New Hampshire

Purpose

Transportation excellence in New Hampshire is fundamental to the state's economic development and land use, enhancing the environment, and preserving the unique character and quality of life. The Department will provide safe and secure mobility and travel options for all of the state's residents, visitors, and goods movement, through a transportation system and services that are well maintained, efficient, reliable, and provide seamless interstate and intrastate connectivity.

New Hampshire Department of Transportation

**Assistant Commissioner
and Chief Engineer**

Commissioner

Deputy Commissioner

Directors

Project Development

Operations

Finance

**Policy &
Administration**

**Aeronautics,
Rail & Transit**

Bureau Administrators and District Engineers

Highway
Design

Materials &
Research

Bridge Design

Project
Management

Environment

Right-of-Way

Construction

Planning &
Community
Assistance

Highway
Maintenance
(District Offices)

Bridge
Maintenance

Turnpikes

Mechanical
Services

Traffic

Transportation
Systems Management
and Operations

Finance &
Contracts

Audit

Human
Resources

Stewardship &
Compliance

Federal Labor
Compliance

Hearings &
Legislation

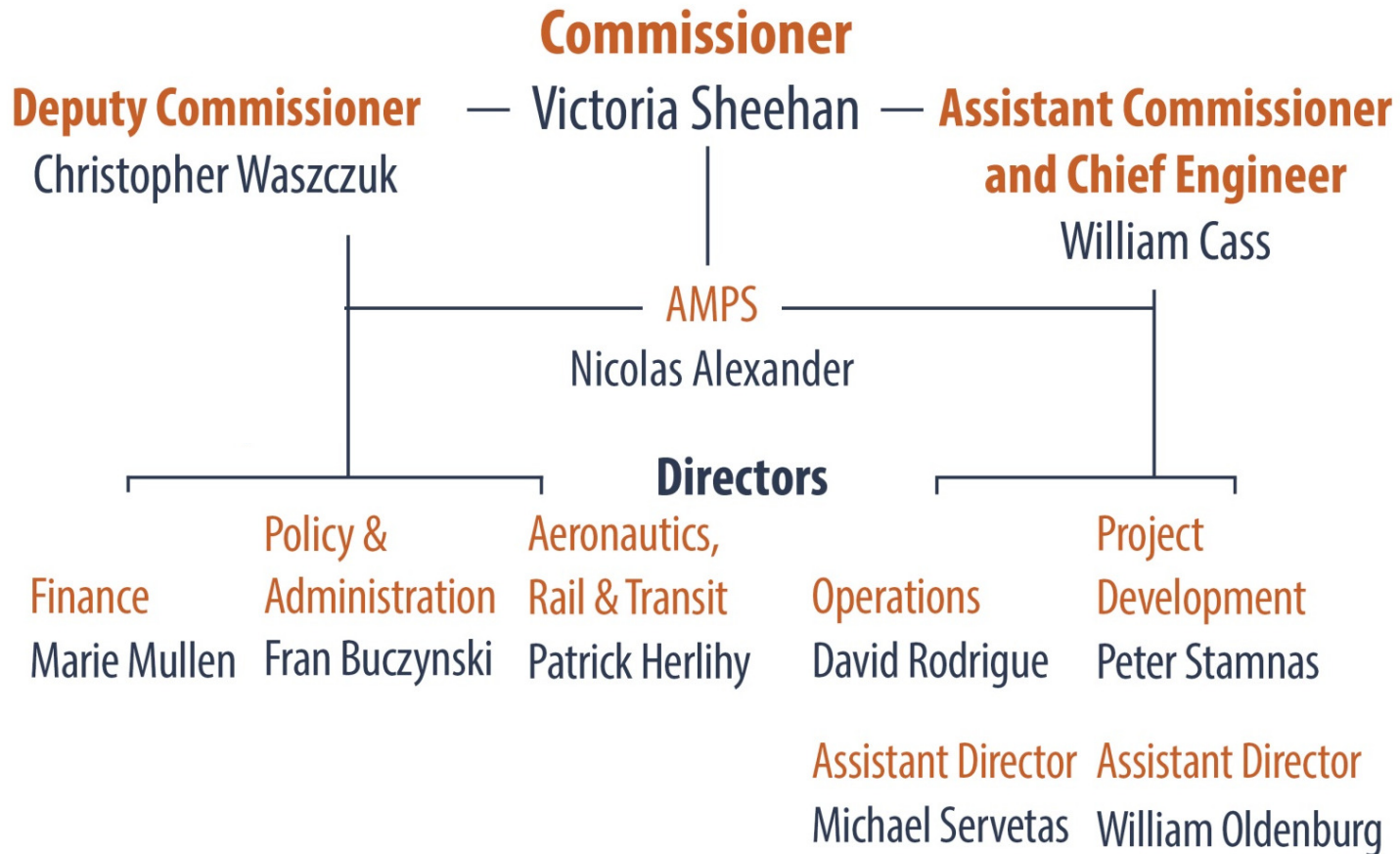
Public
Information
Officer

Aeronautics

Railroads
& Public
Transportation



Organization Chart



- Call 271-1484 for Commissioners & Directors

Key Facts About NHDOT

- 1,650 permanent employees
- 2,161 State Bridges
 - State Red List – 125 (5.8%)
- 1,688 Municipal Bridges
 - Municipal Red List – 243 (14.4%)
- All bridges inspected every two years, red list bridges inspected more frequently



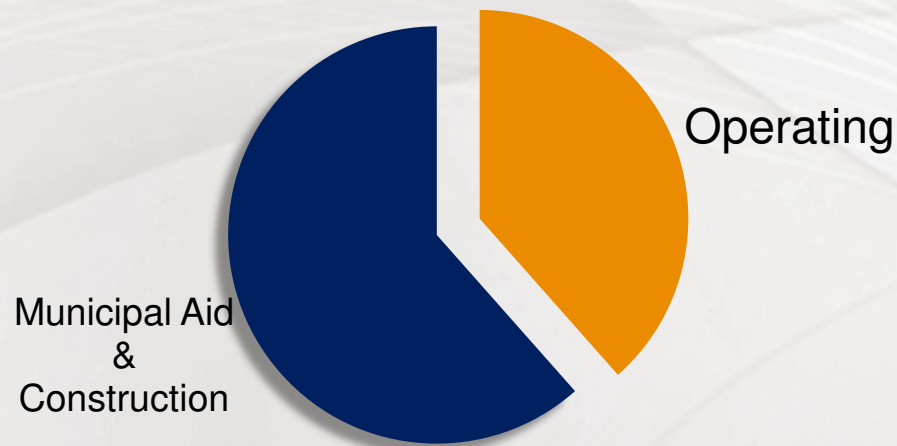
Key Facts About NHDOT

- Approx. 4,606 centerline miles of roadway managed (additional 300 town maintained)
- Annual paving totals 550 centerline miles per year
- Maintain more than 100,000 highway signs, 75 million feet striping, 440 traffic signals
- 195 miles active state-owned rail lines
- 24 Publicly accessible airports
- 11 Local Public Transit Systems



Funding Summary

- FY 2020 Actual Expenditures = \$681 million
 - Municipal Aid and Construction Costs = \$419 million
 - Operating Costs = \$262 million

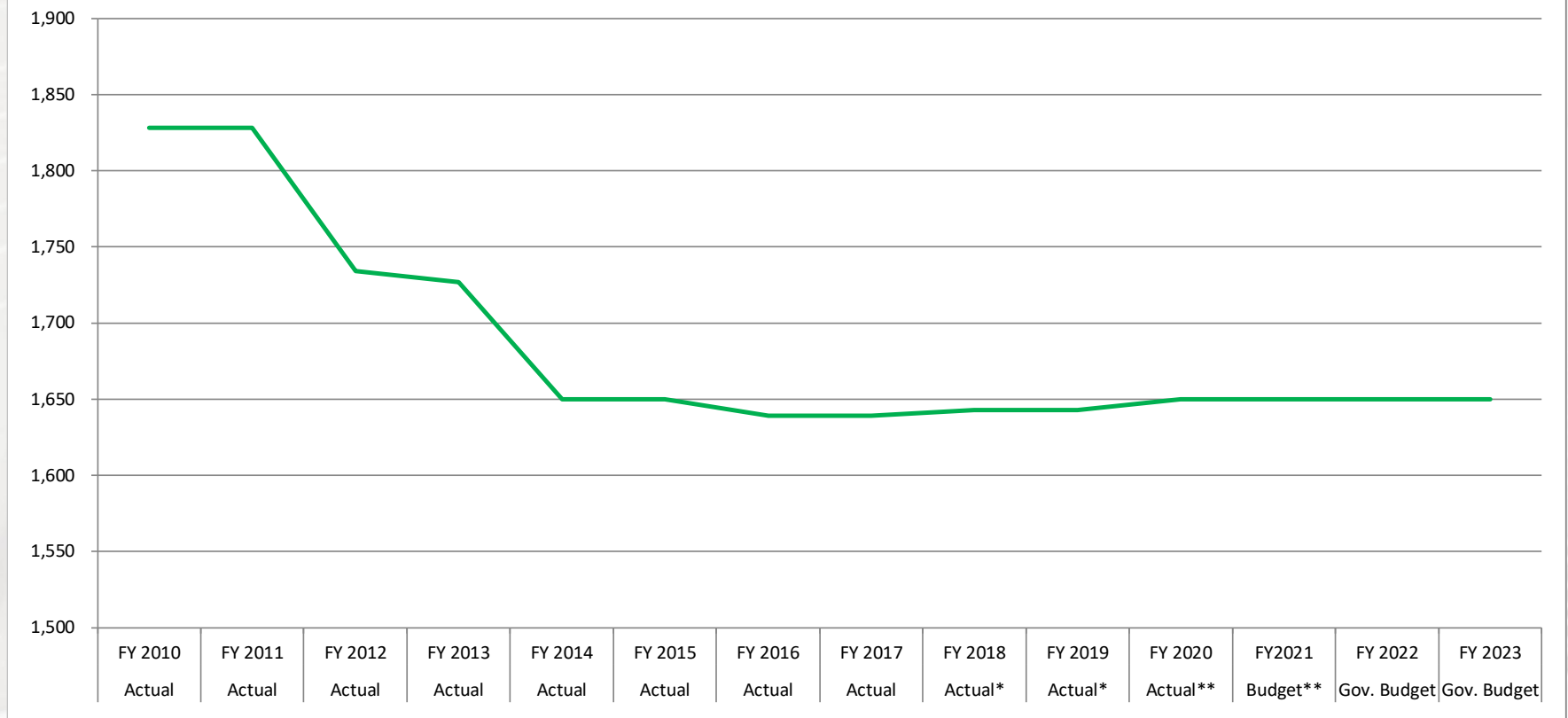


- Comprised of various funding sources
 - Highway (36%), Federal (35%), Turnpike (19%), Other (9%), General (1%)

History of Authorized Full-Time Positions

		Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual*	Actual*	Actual**	Budget**	Gov. Budget	Gov. Budget
Authorized Positions - Classified & Unclassified		FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY2021	FY 2022	FY 2023
		1,828	1,828	1,734	1,727	1,650	1,650	1,639	1,639	1,643	1,643	1,650	1,650	1,650	1,650

Total All DOT Authorized Full-Time Positions



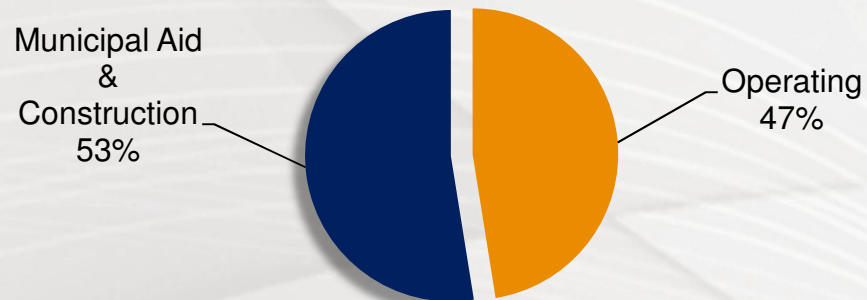
* Increase in authorized positions is for 3 Shared Service Center positions transferred from Dept. of Administrative Services due to elimination of bureau and increase in 1 Transit position that is 100% Federally funded.

**Increase in authorized positions is for 7 new position requests, 1 in Aeronautics and 6 in Highway Operations Division.

Funding Summary

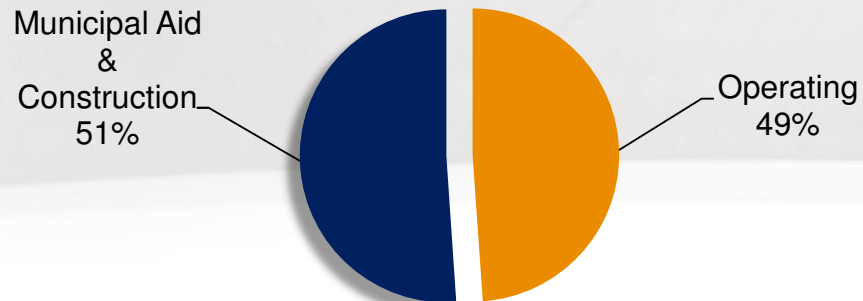
FY2022 Governor's Recommended Budget \$674 million

- Municipal Aid and Construction Costs = \$354 million
- Operating Costs = \$320 million

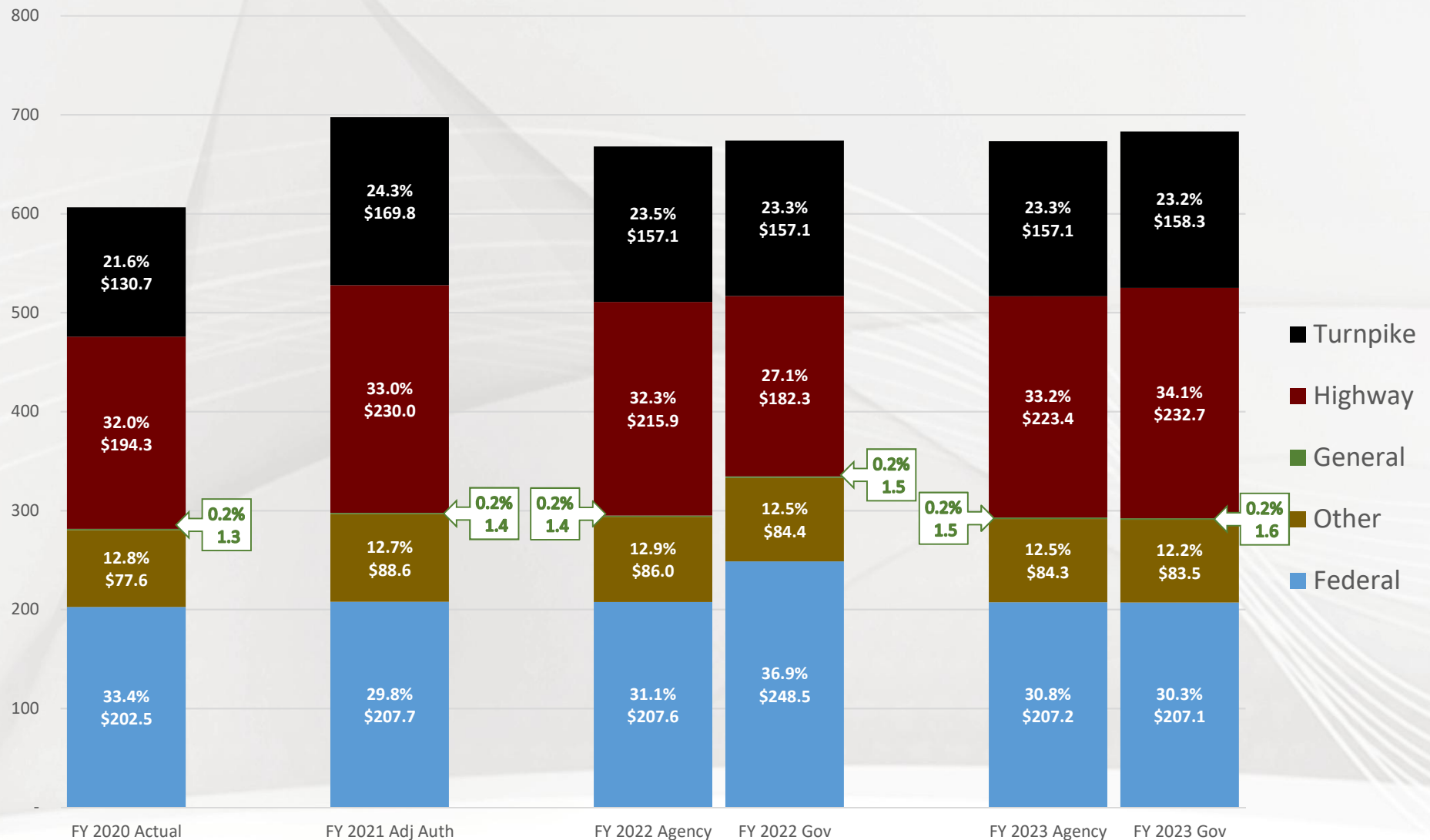


FY2023 Governor's Recommended Budget \$684 million

- Municipal Aid and Construction Costs = \$350 million
- Operating Costs = \$334 million



Funding Summary-Type of Funds



Aeronautics, Rail and Transit Systems

Aeronautics

24 Open-to-the-Public Airports
12 Federally Funded Airports
FFY19: Granted \$23.3M
3 Commercial airports
9 Block Grant Airports
12 Airports do not receive Federal Aid.
CY19: \$545K in Revenue from Aviation Registration Fees.



Rail

6 active operator agreements
4 freight service
2 tourist service
195 miles active state-owned rail lines
339 miles abandoned/inactive state-owned rail lines



Public Transit

11 Local Public Transit Systems
Intercity/Commuter service
Boston Express
Community Transportation
(Human Service/Volunteer Driver



General Fund

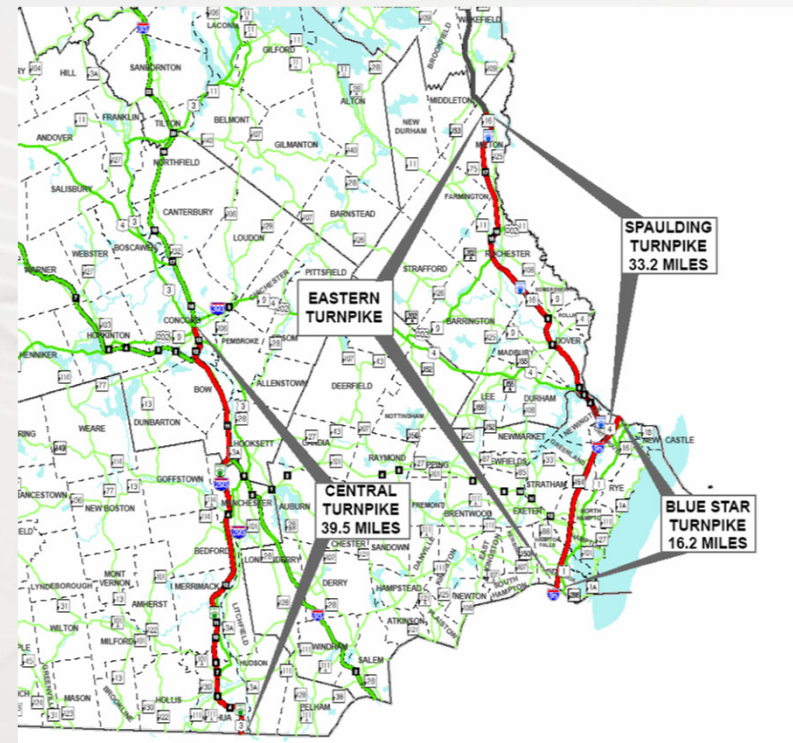
- Funds Aeronautics and Railroad Bureaus
- Transit Bureau funded with primarily Federal funds
 - Budget includes \$200 thousand per year of General funds for transit operators Federal match
- FY2022 General Fund Budget \$1.5M
- FY2023 General Fund Budget \$1.6M

Additional Need funded by Governor:

- Aeronautics Principal Planner – UAS (Drones)

Turnpike System Overview

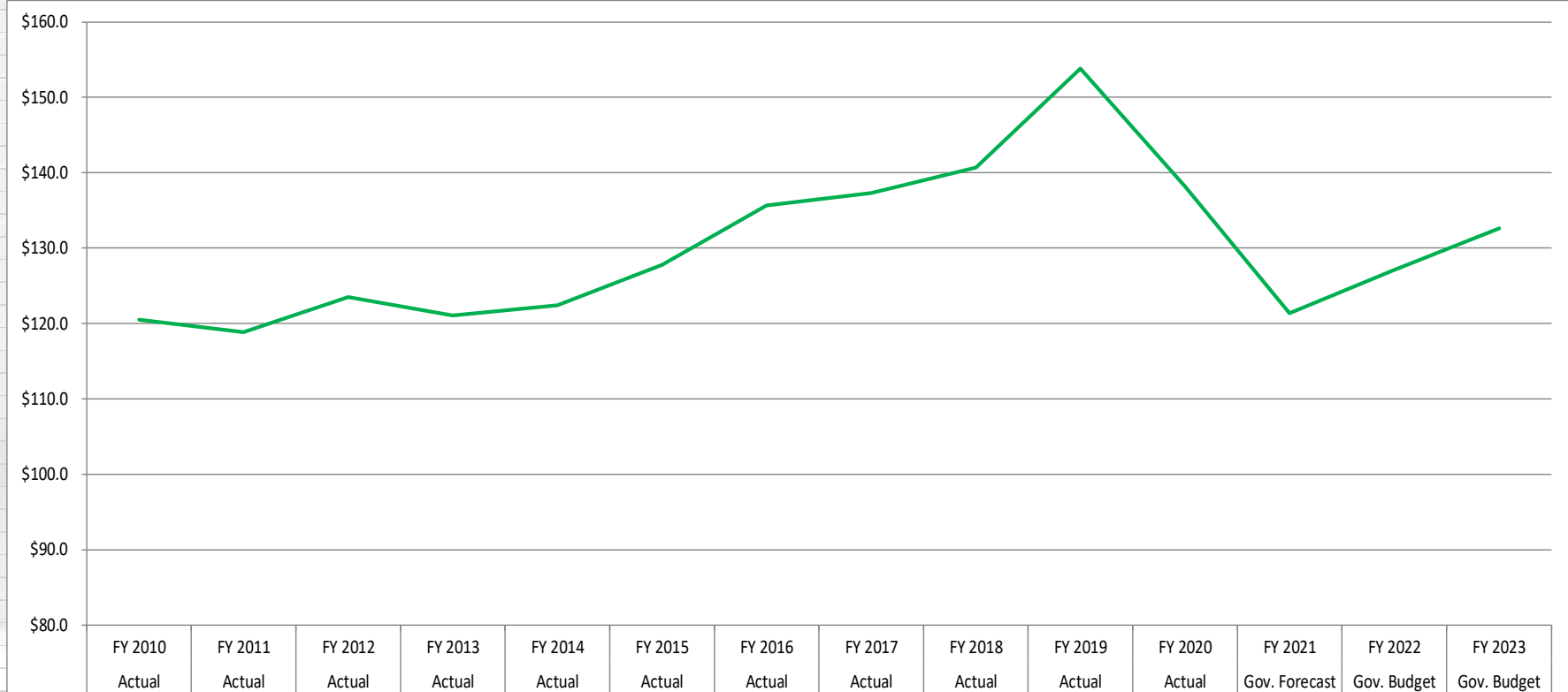
- 3 Turnpike Segments
- 89 Miles Long
- 172 Bridges
- 8 Toll Facilities
- Enterprise Fund – All Turnpike revenue must be used on the System
- Turnpike Revenue pays for:
 - Operating & Maintenance Costs
 - Debt Service
 - R&R Work
 - Capital Improvements
- FY20: 110 million transactions
\$131 million total revenue



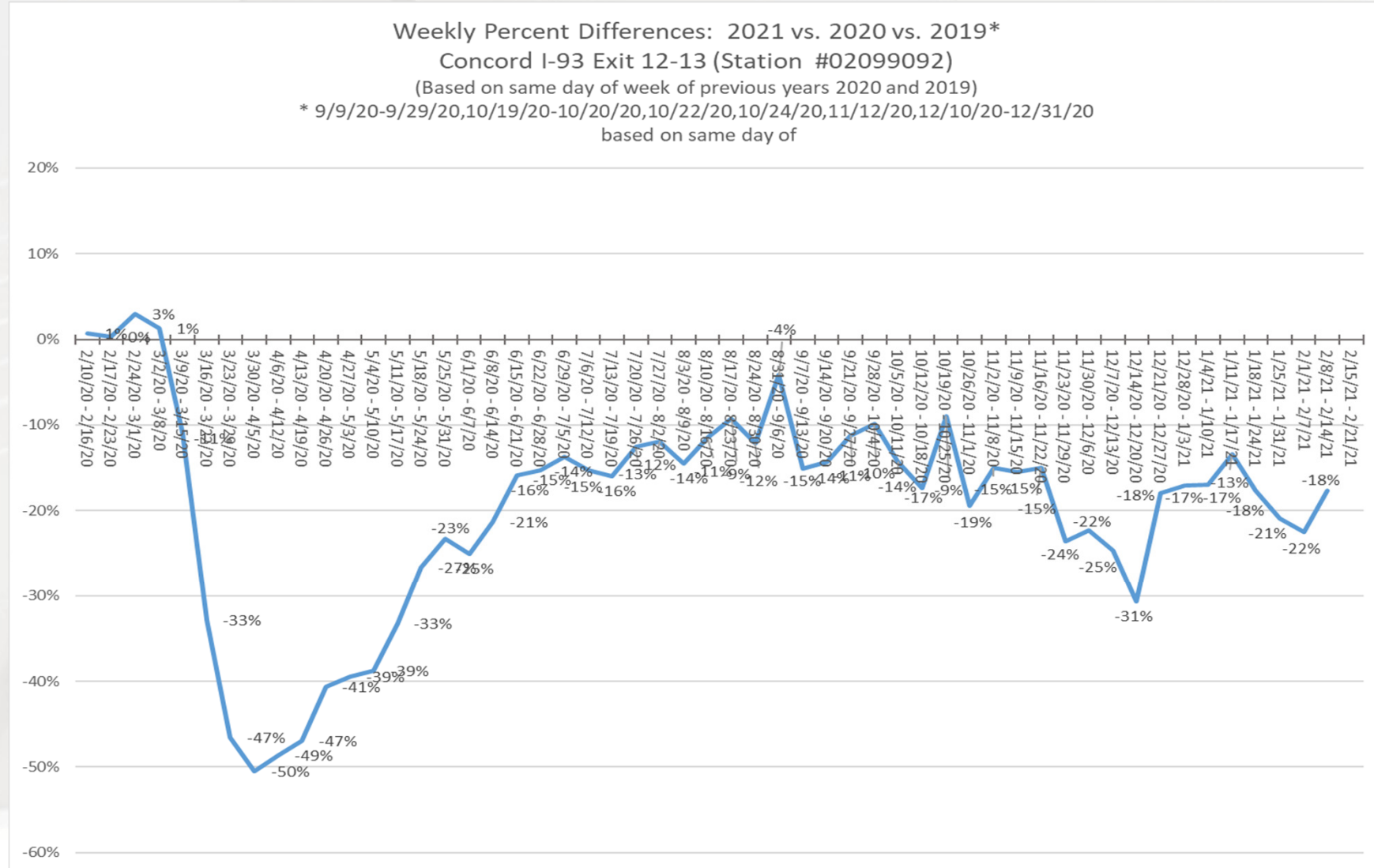
Turnpike Fund Historical Revenue

(in millions)															
		Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Gov. Forecast	Gov. Budget	Gov. Budget
		FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Toll Revenue		\$ 117.7	\$ 117.9	\$ 117.9	\$ 117.2	\$ 118.5	\$ 123.6	\$ 129.6	\$ 130.5	\$ 134.1	\$ 145.1	\$ 129.8	\$ 120.7	\$ 126.6	\$ 132.1
		2.8	1.0	5.6	3.9	3.9	4.2	6.1	6.8	6.6	8.7	8.4	0.7	0.5	0.5
Total Revenue - Turnpike Fund		\$ 120.5	\$ 118.9	\$ 123.5	\$ 121.1	\$ 122.4	\$ 127.8	\$ 135.7	\$ 137.3	\$ 140.7	\$ 153.8	\$ 138.2	\$ 121.4	\$ 127.1	\$ 132.6

Source: (Actual) State CAFR Revenue Reports and Budget Appropriations

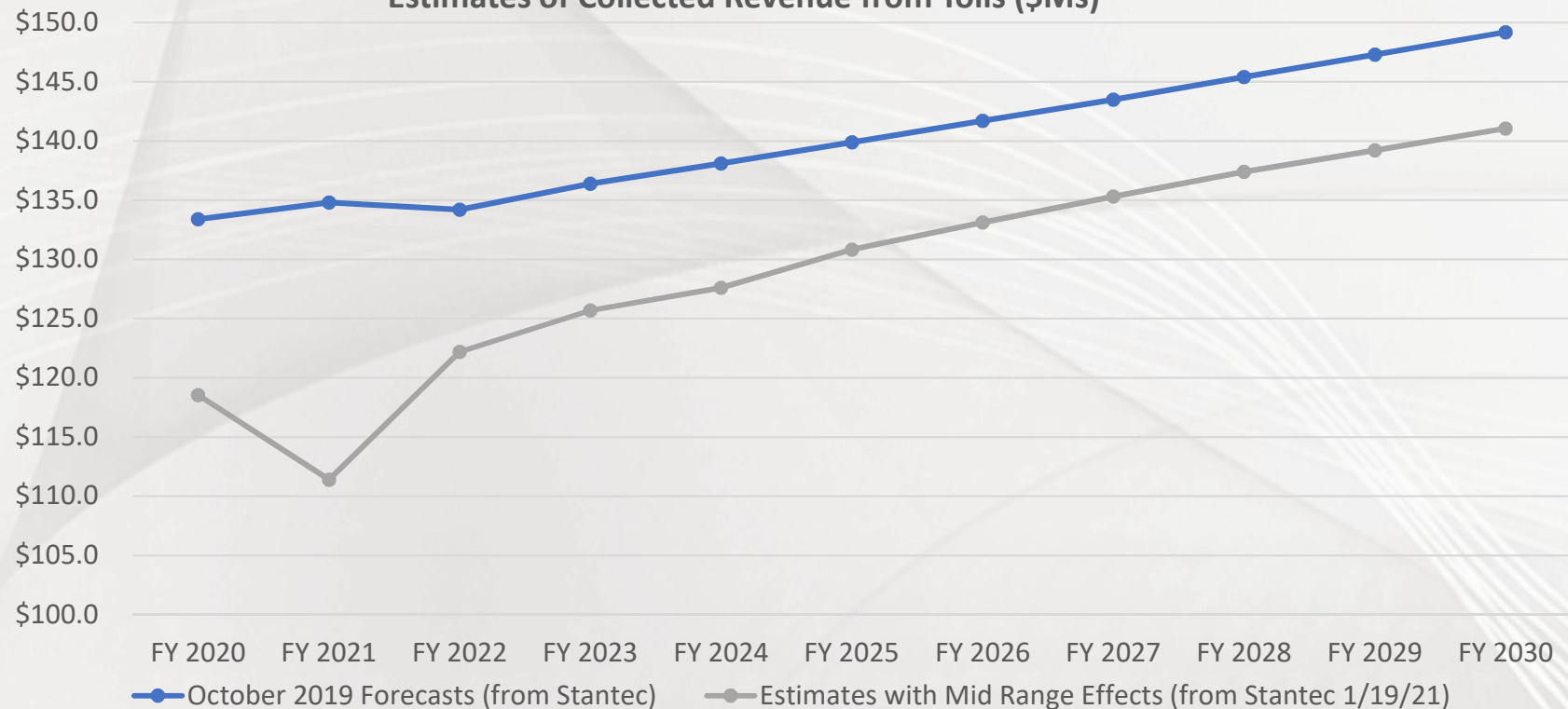


COVID-19 Impacts



COVID-19 Impacts

NHDOT - Bureau of Turnpikes
Estimates of Collected Revenue from Tolls (\$Ms)



	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Difference from Oct 2019 T&R	-\$14.9	-\$23.4	-\$12.0	-\$10.7	-\$10.5	-\$9.1	-\$8.6	-\$8.2	-\$8.0	-\$8.1	-\$8.1
Percent Reduction	-11.1%	-17.4%	-9.0%	-7.9%	-7.6%	-6.5%	-6.1%	-5.7%	-5.5%	-5.5%	-5.5%

Turnpike Fund

- COVID-19 impacts on revenue necessitated a 7.5% budget reduction in FY22
- FY23 budget flat to FY22
- No Additional Prioritized Needs were requested
- All operations, maintenance, debt service and R&R requirements have been funded within the FY22/23 Budget
- Overall projected long-term revenue reduction will require delay of some capital projects by 1 to 2 years

Highway Fund

- Highway Fund is not the DOT and DOT is not the Highway Fund.
- Fund which unrestricted revenue from gas tax/road toll and registration fees is collected by Dept. of Safety
- Also Fund which federal construction reimbursement, GARVEE bond and TIFIA proceeds are collected
- Primary source of funding for Operating Budget
- Revenue from Highway Fund appropriated to various agencies, DOT, Safety, Judicial Branch and Justice
- In 2020 59% of Highway Fund appropriated to DOT, 26% to other Agencies, 15% to Municipalities

State of New Hampshire Department of Transportation History of Highway Fund Revenue

Unrestricted Revenue (Highway Funds)													Gov Forecast	Gov. Budget	Gov. Budget
	FY 2010		FY 2012		FY 2014		FY 2016		FY 2018		FY 2020		FY 2021	FY 2022	FY 2023
Gas Road Tolls	\$ 123.7	\$ 125.0	\$ 124.9	\$ 123.3	\$ 124.7	\$ 125.8	\$ 123.6	\$ 124.6	\$ 126.1	\$ 127.5	\$ 117.6	\$ 114.4	\$ 123.7	\$ 124.9	
Motor Vehicle Fees	103.2	94.2	104.4	107.5	106.6	110.4	85.1	89.9	90.3	92.3	97.9	119.2	123.9	124.6	
\$30 Reg. Surcharge	38.9	29.7													
Subtotal Road Toll & Motor Vehicle Fees	265.8	248.9	229.3	230.8	231.3	236.2	208.7	214.5	216.4	219.8	215.5	233.6	247.6	249.5	
Court Fines	8.0	8.2	7.8	7.0	7.2	6.8	6.9	6.2	5.7	5.7	5.1	4.3	4.5	4.8	
Miscellaneous	22.9	21.0	19.3	21.4	0.8	0.4	0.3	0.3	0.2	0.6	0.2	0.2	0.2	0.2	
Retro Turnpike Toll Credits *	12.7	2.1	1.4												
I-95 Sale	30.0	20.0	26.0	26.0	15.0	14.2	0.4								
Cost of Collections							25.1	28.7	28.1	26.2	28.0	32.2	30.3	31.7	
Total Unrestricted Revenue - Highway Fund	\$ 339	\$ 300	\$ 284	\$ 285	\$ 254	\$ 258	\$ 241	\$ 250	\$ 250	\$ 252	\$ 249	\$ 238.1	\$ 252.3	\$ 254.5	

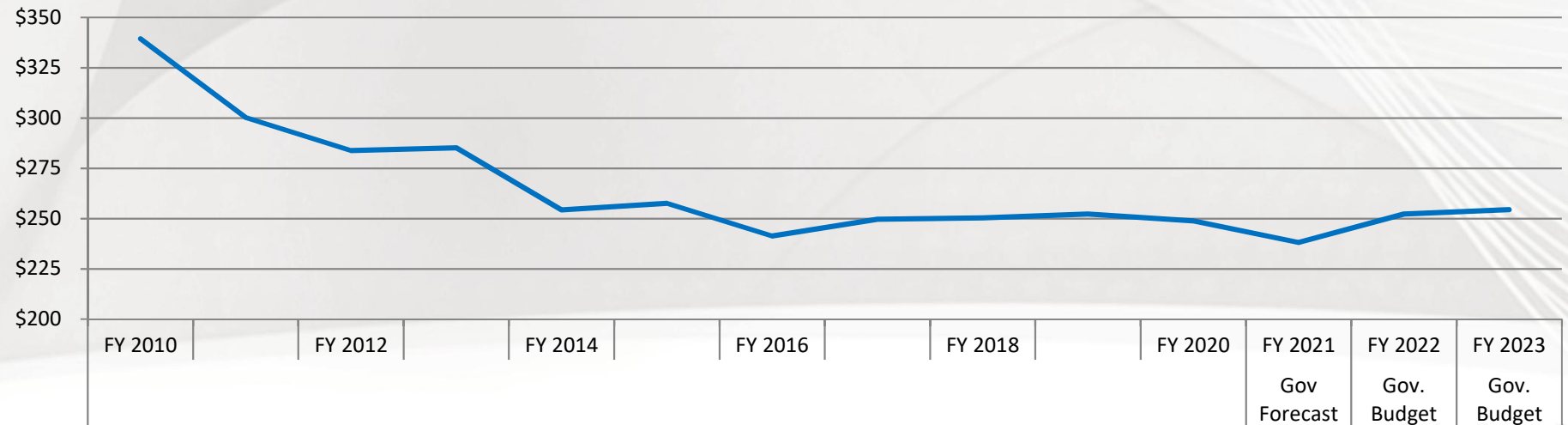
Notes: Beginning in FY16 Cost of Collections was restricted and removed from Unrestricted Revenue.

In FY20 Plea by Mail revenue was moved from restricted (Safety Detective Bureau) to Unrestricted and amounted to \$5.6M.

Source: State CAFR Revenue Reports

*Toll credits can be applied to projects retroactively, i.e., after project authorization. The Department received Federal revenue reimbursement for match funds paid in prior years with Highway Funds.

Total Unrestricted Revenue - Highway Fund



Highway Fund

- Department required funding reduction of 7% in Agency phase for FY22 and 1% increase in FY23.
 - Reduced fleet equipment
 - Reduced preventative maintenance
 - ✓ Bridge Washing
 - ✓ Guardrail repairs
 - ✓ Tree trimming and brush clearing
 - ✓ Graffiti removal
 - Reduced temporary positions for Engineering intern program
- \$41M in Federal funding for state highway's included in the 2020 Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act used to displace highway fund expenditures in FY22.
- HB1817, Chapter Law 162:25, appropriated general funds to the Department of Transportation for bridge projects into a nonlapsing account. HB2 includes language for \$8.1 million of unspent appropriations to lapse to the Highway Fund.

DOT Requested Additional Needs Funded-Highway

- Debt Service and Block Grant increases funded
- \$12M over biennium increase for Winter Maintenance
 - Funds winter maintenance at 3 year average
- Transfer to DoIT for Office 365
- Transfer to General Services for building maintenance
- Transfer to Justice for AG support of DOT
- Project Development Engineering Intern Program

DOT Requested Additional Needs Not Funded

- Highway

- \$6.4M per year Fleet equipment increase to fund at recommended replacement criteria
- \$0.45M per year equipment for Bridge Maintenance and Traffic Bureaus
- Preventative Maintenance
 - \$0.9M per year Guardrail maintenance and repairs
 - \$1.7M per year Bridge washing
- Telematics devices, equipment and software maintenance for Mechanical Services of \$0.7M over biennium
- ITS device repairs and maintenance and consultant for TSMO Bureau \$0.31M over biennium
- Graffiti Removal \$0.40M over biennium
- \$2M per year for FHWA payback related to Conway Bypass

Issues & Challenges

- Highway Fund revenue and structural insolvency
- Operations and Maintenance needs
 - Fleet under budgeted: \$2M+/yr vs. \$8M+/yr required
 - Preventative Maintenance backlog
 - Uncompetitive rates and shortage of hired trucks
- Loss of SB367 revenue toward paving/bridges
- Limited State funding for Non-Fed eligible state roads
 - 3,460 miles Fed-Aid Eligible
 - 1,142 miles Ineligible for Fed-Aid
- Staffing, current vacancy rate of 15%
- Transit funding
- State match for the Federal Highway Program
- State Aid Bridge program

Fleet Statistics Summary

Fiscal Year 2021 Fleet Statistics as of July 1, 2020 Replacement Evaluation Criteria

Effective 7/1/2020, revised 11/16/2020		D	E	F	G	J	K
Category	Category Description	# Units	Approx. Replacement Costs (Total Fleet) (D x H)	# Exceeds Life Age or Usage	% of Fleet Exceeding Parameters	Current Replacement Class Totals (Sum of I)	Target Funding Level / Yr. (D/A x H)
0963800	MECHANICAL SERVICES	1258		277	22%		
EHDT	Trucks_ExtraHeavy Duty >45000#	70	\$ 17,378,000	20	29%	\$ 7,196,000	
HDT	Trucks_Heavy Duty > 20001#	260	\$ 41,855,000	70	27%	\$ 11,340,000	
MDT	Trucks_Medium Duty > 10001#	62	\$ 5,570,000	15	24%	\$ 1,345,000	
LDT1	Trucks_Light Duty < 8501#	141	\$ 2,953,000	28	20%	\$ 591,000	
LDT2	Trucks_Light Duty > 8501#	173	\$ 4,836,000	30	17%	\$ 862,000	
PASSAUT	Passenger Autos_	82	\$ 1,462,500	16	20%	\$ 285,500	
VB1	Vans & Buses_1 seats 9-20	2	\$ 68,000	0	0%	\$ -	
MEC	Mobile Equipment_Construction	146	\$ 20,668,000	92	63%	\$ 11,308,000	
TRE	Trailers_Equipment -Flatbed	8	\$ 80,000	2	25%	\$ 20,000	
TRENC	Trailers_Enclosed	2	\$ 50,000	2	100%	\$ 50,000	
AE	Associated Equipment_	312	\$ 7,790,000	2	1%	\$ 40,000	
		Total=	\$ 102,710,500		Sub-Total=	\$ 33,037,500	\$ 8,896,863
			Planned FY20 & FY21 Acquisitions			\$ 16,268,133	
					Total	\$ 16,769,367	
Notes:	Approx. acquisition costs paid to purchase the current fleet \$73.7 million						
	Approx. depreciated value of the current fleet \$36.4 million						
	Column K: 'Target Funding Level / Yr.' represents a per year requirement for equipment replacement based on expected life.						
	Planned FY20 & FY21 Acquisitions include equipment ordered and in various stages of being placed in service.						
To catch up over time:							
1 yr	\$ 16,769,367						
5 yrs	\$3,353,873						
10 yrs	\$1,676,937						
15 yrs	\$1,117,958						